GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3330
ANSWERED ON:07.12.2007
DECLINE IN INDUSTRIAL GROWTH RATE
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Will the Minister of FINANCE be pleased to state:

(a) whether there has been decline in industrial growth rate due to sharp decline in many industrial products;

(b) if so, the details of industrial sectors which have registered a decline;

(c) whether this decline was due to lack of demand;

(d) if so, the details thereof;

(e) whether the decline was despite the prevailing demand;

(f) if so, the details thereof;

(g) whether finance minister has made any suggestion in this regard;

(h) if so, the details thereof; and

(i) the steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to(i): The overall rate of industrial growth declined from 11.1 per cent during April-September 2006 to 9.2 per cent during April-September 2007.The Industry-wise picture is given in the table given below :

Industry group	Growth during April-September	
	2006-07	2007-08
Food Products	1.9	13.3
Beverages & Tobacco	14.2	8.3
Cotton Textiles	12.8	6.1
Wool, Silk & Man Made Textiles	6.7	5.1
Jute Textiles	-0.3	18.9
Textile Products	14.9	3.4
Wood Products	-0.1	78.8
Paper Products	8.1	1.1
Leather products	-5.2	7.8
Chemicals	10.5	7.8
Rubber & Petroleum	10.9	12.0
Non Metallic Mineral products	13.7	8.3
Basic Metals	19.4	18.5
Metal Products	5.0	-0.8
Machinery & Equipments	16.2	10.9
Transport Equipments	17.7	1.7
Other manufacturing	15.1	12.4
Manufacturing	12.3	9.7
Mining	3.1	5.3
Electricity	6.6	7.7
Index of Industrial production	11.1	9.2

Performance of individual industries in a market driven economy depends on a number of factors, such as demand and supply conditions, relative prices of inputs, competition, exchange rate movements and the macro-economic factors. Demand conditions in major importing countries and trade environment also affect performance of industries in which exports constitute a significant proportion of production.

Government has put in place various policies to promote broad based industrial growth. These include, inter-alia, delicensing of industry, liberalization of foreign trade regime to provide better access to inputs at competitive prices, rationalization and reduction in duty rates of customs and central excise, better infrastructure support, and liberal FDI regime.